



DEFIANCE SILVER AND VALORO RESOURCES SIGN DEFINITIVE MERGER AGREEMENT

FOR RELEASE: November 6, 2018

**TSXV: DEF & VRO
OTC: DNCVF & GIXEF**

Defiance Silver Corp. (“Defiance”) (TSX-V: DEF) and ValOro Resources Inc. (“ValOro”) (TSX-V: VRO) are pleased to announce that, further to their News Release dated September 17, 2018, Defiance and ValOro have signed a Definitive Arrangement Agreement (“Definitive Agreement”) dated November 5, 2018 to complete their friendly merger (“Transaction”). ValOro has arranged a special shareholder meeting for December 17, 2018 to vote on the merger and related matters.

The Transaction has the unanimous support of both companies' Boards of Directors and Officers and will create a leading Mexico focused explorer with an advanced portfolio of silver and gold projects. The combined company will continue under the name of Defiance Silver Corp.

Pursuant to the terms of the Definite Agreement, each ValOro shareholder will receive 0.71 common shares of Defiance for each share of ValOro held. This represents a 54.3% premium to the closing price of ValOro’s shares based on the closing price of Defiance’s shares on the TSX Venture Exchange on the date the LOI was signed and a 98.2% premium to the 60 day VWAP of ValOro’s shares based on the 60 day VWAP of Defiance’s shares on the Exchange preceding the date the LOI was signed. Shareholders of Defiance will not have to exchange their shares of Defiance in the Transaction. Upon completion of the Transaction, the combined company will have approximately 119 million common shares outstanding, of which former shareholders of Defiance will own approximately 87% and the former shareholders of ValOro will own approximately 13%.

Peter J. Hawley, President and CEO of Defiance, stated “We are pleased to have signed the definitive agreement and look forward to launching a leading Mexican explorer, that combines two excellent advanced projects, a best-in-class Board of Directors and a proven exploration team.”

Dunham Craig, President and CEO of ValOro, stated “We believe this transaction provides significant upside for ValOro shareholders by combining two advanced stage projects that are drill ready with potential expansion of known resources and in the case of the Tepal project, potentially further enhancing demonstrated economic viability. We look forward to a dynamic future with the combined company’s team in advancing these assets and further growth through discovery and acquisition.”

Upon completion of the Transaction, the combined management team will be led by Peter J Hawley, who will assume the title of President and Chief Executive Officer. The new Board will be comprised of Mr. Peter J. Hawley (Americas Silver Corp), Mr. Darrell Rader (Minaurum Gold Inc.), Mr. Paul Smith, and Mr. Ron Sowerby as representatives from Defiance and Mr. Dunham Craig (ValOro Resources Inc.), Mr. Randy Smallwood (Wheaton Precious Metals Corp.), and Mr. George Brack (Capstone Mining Corp.) as representatives of ValOro. The Board is pleased to appoint Ms. Evelyn Abbott (B.Sc., CPA, CMA) as Chief Financial Officer and Secretary. Evelyn has extensive experience in finance and accounting practices across several industries including her most recent post as CFO of UEX Corp. (TSX: UEX). She has also been employed by ValOro for the past 12 years, and is currently the CFO and Corporate Secretary of ValOro. In addition, Ms. Gillian Kearvell (B.Sc.) will be appointed as Vice President of Exploration. Gillian is a geologist with over 30 years of experience working with junior and senior mining companies, with accolades including working with Teck Resources' San Nicolas VMS deposit in Zacatecas State, managed the pre-feasibility field program at Goldcorp's Los Filos Mine and leading Teck's exploration team that developed the Guerrero Gold Belt exploration model resulting in the El Limon-Guajes and Cerro Media Luna discoveries, currently operated by Torex Gold.

The Transaction will be carried out by the way of court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) which requires the approval of at least two-thirds of the votes cast by the shareholders of ValOro at a special meeting of its shareholders on December 17, 2018. In addition, the Transaction will be subject to the approvals of the TSX Venture Stock Exchange (for both companies) and the Supreme Court of British Columbia (for ValOro only).

The Transaction will include customary provisions, including fiduciary-out provisions, covenants not to solicit other acquisition proposals and the right to match any superior proposal. In addition, ValOro may be required to pay a termination fee of \$217,204 if the Transaction is terminated as a result of ValOro accepting a superior proposal or completing an alternative proposal within 12 months of termination of the Transaction.

About Defiance Silver Corp.

Defiance Silver Corp. (DEF | TSX Venture Exchange; DNCVF | OTC; D4E | Frankfurt) is a silver explorer and developer advancing the San Acacio Deposit, located in the historic Zacatecas Silver District of central Mexico. Defiance is managed by a team of proven mine developers with a track record of exploring and developing 7 operating mines to date. Defiance's corporate mandate is to expand San Acacio to become one of Mexico's premier high grade wide vein silver deposits. A [Panoramic Video on the San Acacio Deposit](#) is available on our website.

About ValOro Resources Inc.

ValOro Resources Inc. (VRO | TSX Venture Exchange) is a mineral exploration and development company focused on acquiring, exploring, and developing mineral resource opportunities with the potential to host profitable mining operations. The Company's primary focus is the 100% owned Tepal Gold/Copper Project in Michoacán state, Mexico.

On behalf of Defiance Silver Corp.

“Peter J. Hawley”

Interim President & CEO
Chairman of the Board, Director

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On behalf of ValOro Resources Inc.

“Dunham L. Craig”

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